



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

ASSESSMENT STANDARDS DIVISION
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August 31, 1994

TO COUNTY ASSESSORS:

No. 94/54

OPEN-SPACE LAND ASSESSED UNDER SECTIONS 423, 423.5, AND 426
OF THE REVENUE AND TAXATION CODE
INTEREST COMPONENT - 1995 LIEN DATE

In accordance with Section 423(b) of the Revenue and Taxation Code, the Board is required to announce, no later than September 1, an interest component of the capitalization rate to be used in the valuation of lands assessed under Sections 423, 423.5, and 426.

Section 423(b)(1)(C) provides that the interest component shall be:

"For the 1995-96 assessment year, the arithmetic mean, rounded to the nearest 1/4 percent, of the yield rate for long-term United States government bonds, as most recently published by the Federal Reserve Board, and the corresponding yield rates for those bonds, as most recently published by the Federal Reserve Board as of each September 1 immediately prior to the 1993-94 and 1994-95 assessment years."

Information received from the Federal Reserve Board indicated the yield rates were 7.36 percent as of August 24, 1992, 6.13 percent as of August 30, 1993, and 7.52 as of August 26, 1994. The arithmetic mean of 7.36, 6.13, and 7.52 is 7.00 percent. When the arithmetic mean is rounded to the nearest one-quarter percent, the interest component is 7.00 percent.

Sincerely,

John W. Hagerty
Deputy Director
Property Taxes Department

JWH/grs